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中彩網通控股有限公司
China Netcom Technology Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8071)

PROFIT WARNING

This announcement is made by China Netcom Technology Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Reference is made to the third quarterly results announcement for the nine months ended 30 September 2020 of the Company dated 6 November 2020 (the “**Third Quarterly Results Announcement**”).

Since late 2019, the PRC government has issued a series of regulatory documents and guidances, specifying that the exiting and transformation of all P2P businesses in the PRC would be the general principle. In the first half of 2020, the Group had already ceased its business cooperation with P2P organizations and had tried to conduct business transformation in relation to the Group’s financial technology services business. However, due to the outbreak of the Novel Coronavirus epidemic in 2020, the trend of increasing delinquency rate in the personal consumption credit market was still prominent, business negotiations with various financial institutions have not yet progressed, and no consensus on cooperation has been reached with any of them as at the date of this announcement. In addition, the regulatory requirement in the PRC for financial institutions and Internet financial technology companies continues to enhance, for example, the China Banking and Insurance Regulatory Commission (the “**CBIRC**”) promulgated the Interim Measures for the Administration of Internet Loans issued by Commercial Banks* (《商業銀行互聯網貸款管理暫行辦法》) in July 2020, the CBIRC and the People’s Bank of China jointly promulgated the Interim Measures for the Administration of Internet Micro Credit Business (Draft for Comments)* (《網絡小額貸款業務管理暫行辦法(徵求意見稿)》) in November 2020 and the Supreme People’s Court of the PRC made amendments to the Provisions of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Private Lending Cases (Second Amendments in 2020)* (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定(2020年第二次修正)》) in December 2020, etc., which affected the development of the Group’s financial technology services business.

As disclosed in the Third Quarterly Results Announcement, the Novel Coronavirus epidemic in 2020 had also severely affected the Group's apartment leasing business in Wuhan, the PRC. As such, the board (the "**Board**") of directors (the "**Directors**") of the Company had resolved to cease the apartment leasing business in November 2020 and had initiated deregistration procedures for the subsidiaries in respect of such business.

As a result, it is expected that the revenue of the Group will decline significantly when compared to the corresponding period in 2019, and the consolidated loss attributable to owners of the Company will expand to the range from approximately HK\$17.0 million to HK\$20.0 million for the year ended 31 December 2020 as compared to the consolidated loss attributable to owners of the Company of approximately HK\$5.7 million for the year ended 31 December 2019. It is expected that the revenue and operating performance of the Group's financial technology services business and apartment leasing business will continue to be adversely affected by the abovementioned factors in the first quarter of 2021.

The Group will closely monitor the ongoing market development and appropriately adjust its operations and the overall strategies of the Group, including the reduction or termination of certain loss-making businesses and the development of the smart retail business, so as to achieve the Group's long-term goal of sustainable development.

The information contained in this announcement is solely based on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group and the currently available information to the Board which have not been audited nor reviewed by the Company's auditor. The financial results of the Group for the year ended 31 December 2020 will only be ascertained after all the relevant results and accounting treatments have been finalized. Shareholders and potential investors of the Company are advised to refer to the details of the Company's annual results announcement for the year ended 31 December 2020 which will be published by the end of March 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

** The English name(s) has/have been transliterated from its/their respective Chinese name(s) and is/are for identification only.*

By order of the Board
China Netcom Technology Holdings Limited
Sun Haitao
Chairman and Executive Director

23 February 2021

As at the date of this announcement, the executive Directors are Mr. Sun Haitao and Mr. Zhao Ke; and the independent non-executive Directors are Mr. Song Ke, Mr. Wu Bo and Mr. Michael Yu Tat Chi.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.irasia.com/listco/hk/chinanetcom.